

Message Text

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SUBJECT: OFFICIAL JAMAICAN REACTION TO SECRETARY'S KANSAS CITY
SPEECH

FOLLOWING IS TEXT OF STATEMENT JUST RELEASED BY MINISTRY
OF EXTERNAL AFFAIRS ON SECRETARY KISSINGER'S SPEECH ON
STRENGTHENING THE WORLD ECONOMIC STRUCTURE:

QUOTE

PRESS RELEASE

STATEMENT BY MINISTRY OF EXTERNAL AFFAIRS ON
RECENT SPEECH BY U.S. SECRETARY OF STATE, DR. HENRY KISSINGER

AS ONE OF THE COUNTRIES MOST INSISTENTLY CALLING FOR A NEW
WORLD ECONOMIC ORDER, JAMAICA WELCOMES THE COMMENTS MADE RECENTLY
BY U.S. SECRETARY OF STATE KISSINGER IN KANSAS. HOWEVER, WE
CANNOT BUT REJECT MANY OF THE POINTS MADE, AND ESPECIALLY THE
BASIC PREMISE OF THE SECRETARY'S ARGUMENT.

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THE PREMISE IS THIS: THAT THE PRESENT WORLD ECONOMIC SYSTEM,

FASHIONED AT BRETTON WOODS IN 1944, HAS SERVED THE WORLD WELL-BOTH THE DEVELOPED AND THE DEVELOPING WORLD. THIS SYSTEM IS OSTENSIBLY BASED ON A REGIME OF OPEN AND EXPANDED TRADE; FREE MOVEMENT OF INVESTMENT CAPITAL AND TECHNOLOGY; READY AVAILABILITY OF RAW MATERIALS; AND INSTITUTIONS AND PRACTICES OF INTERNATIONAL CO-OPERATION. WITHIN THIS SYSTEM, DR. KISSINGER SAID, "THE INDUSTRIALISED COUNTRIES HAVE MAINTAINED AN ALMOST CONTINUOUS RECORD OF ECONOMIC GROWTH", AND "THE DEVELOPING COUNTRIES HAVE MADE UNPRECEDENTED ADVANCES", THOUGH HE ADMITS THAT PROGRESS HERE HAS BEEN "UNEVEN".

SECRETARY KISSINGER ATTRIBUTES THE CURRENT UPHEAVALS IN THE WORLD SYSTEM TO THE PROBLEMS OF ENERGY, RAW MATERIALS AND FOOD, AND TO POLITICAL ACTION IN AT LEAST THE FIRST TWO OF THESE AREAS. HE PROPOSES TO RESTORE ORDER IN THE SYSTEM BY DEVISING A SET OF SPECIFIC PRINCIPLES CONFINED WITH MARKED RIGIDITY TO THESE THREE AREAS, PRINCIPLES WHICH ARE ESSENTIALLY ADJUSTMENTS TO THE PRESENT WORLD ECONOMIC SYSTEM.

FUNDAMENTAL TO DR. KISSINGER'S APPROACH IS HIS CONVICTION THAT THE POLITICAL AND ECONOMIC LEVERAGE OF THE UNITED STATES IN THE WORLD IS THE ABSOLUTE DETERMINANT OF EXPANSION OR RECESSION.

SINCE THE UNITED STATES AND OTHER WEALTHY INDUSTRIALISED COUNTRIES HAVE BEEN THE MAIN BENEFICIARIES OF THE ECONOMIC SYSTEM ESTABLISHED AT BRETTON WOODS, IT IS HARDLY SURPRISING THAT SECRETARY KISSINGER SHOULD NOT WANT TO CHANGE THE BASIC ARRANGEMENTS ON WHICH THE PRESENT ORDER IS BASED. IT IS SMALL WONDER THAT HIS SPEECH SHOULD IGNORE THE FUNDAMENTAL NEED TO REFASHION THE STRUCTURAL FOUNDATIONS WHICH GOVERN THE AVAILABILITY AND DISTRIBUTION OF INTERNATIONAL FINANCE FOR DEVELOPMENT; THE TRANSFER OF REAL RESOURCES AND WEALTH FROM RICH TO POOR COUNTRIES; THE DISTRIBUTION OF GAINS FROM TRADE; AND THE REGIME OF FOREIGN INVESTMENT AND THE OPERATIONS OF MULTI-NATIONAL CORPORATIONS. IN ALL THESE AREAS THE DICE ARE PRESENTLY LOADED IN FAVOUR OF THE DEVELOPED COUNTRIES

JAMAICA CAN JUSTLY CLAIM TO BE THE MAIN PROMOTER OF THE CONCEPT OF INDEXATION OF PRICES, AND IT THEREFORE IMPORTANT
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TO REFUTE THE SECRETARY'S ARGUMENT THAT ONE OF THE CENTRAL PROPOSALS OF THE NEW WORLD ECONOMIC ORDER IS THAT "THE PRICES OF PRIMARY PRODUCTS SHOULD BE SET BY INTERNATIONAL AGREEMENTS AT NEW HIGH LEVELS AND THEN PEGGED TO AN INDEX OF WORLD INFLATION".

OUR POSITIVE INDEXATION, AS IS WELL KNOWN, SEEKS

MERELY TO LINK THE PRICES OF OUR PRIMARY PRODUCT EXPORTS TO THE PRICES

OF OUR MANUFACTURED IMPORTS FROM DEVELOPED COUNTRIES-A BASIC
PRINCIPLE OF EQUITY THAT SHOULD BE READILY APPRECIATED
BY EVERYONE

JAMAICA AND THE THIRD WORLD CANNOT ACCEPT PROPOSALS
THAT TINKER WITH THE PRESENT SYSTEM ON A PIECEMEAL BASIS. SUCH
MEASURES CANNOT ERADICATE
THE INEQUITIES INHERENT IN THE PRESENT SYSTEM,
AND WOULD NOT BE A SUBSTITUTE FOR THE FUNDAMENTAL STRUCTURAAL
CHANGES WE
ARE PURSUING, WHICH SEEK TO IMPLEMENT A JUST
AND EQUITABLE SYSTEM OF
ECONOMIC RELATIONS BETWEEN ALL THE PEOPLESOF THE WORLD.

JAMAICA WELCOMES THE OBVIOUS CONCERN OF THE U.S.
FOR RESUMED DIALOGUE ON THE LINKED QUESTIONS OF ENERGY AND RAW
MATERIALS. WE LOOK FORWARD TO A
RETURN TO THE NEGOTIATING TABLE, WHICH
IS THE PROPER PLACE TO SORT
OUT DIFFERENCES OF OPINION ON THESE CRUCIAL
ISSUES.

15TH MAY 1975. END QUOTE GERARD

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